

Message Text

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C O N F I D E N T I A L TEL AVIV 5160

E.O. 11652: GDS

TAGS: ELAB, IS

SUBJECT: DOCTOR'S STRIKE

1. SUMMARY. WITH 23-DAY STRIKE OF DOCTORS STILL UNRESOLVED, GOVERNMENT HOLDING FIRM TO LAST OFFER OF 45.6 PERCENT SALARY INCREASE. EVENTUAL COMPROMISE ENDING STRIKE MAY INVOLVE DEFERRAL OF UNRESOLVED CLAIMS TO NEXT YEAR. STRIKE UNDERSCORES GROWING COMPLEXITIES IN ISRAELI PUBLIC SECTOR LABOR RELATIONS. END SUMMARY.

2. STRIKE OF SOME 6,000 DOCTORS EMPLOYED BY GOVERNMENT OF ISRAEL AND KUPAT HOLIM (HISTADRUT-OWNED MEDICAL SERVICES COVERING 70 PERCENT OF POPULATION) NOW IN 23RD DAY#2 548(3 8 9;34 \$3.-,\$ 9* \$9:594 *94 -)-46 43;8 89, *94 :9,54-:5 03489\$ -048) 1972-MARCH 1974.

3. ORIGINAL DEMANDS SUBMITTED LAST YEAR BY ISRAEL MEDICAL ASSOCIATION (IMI) TOTALLED 190 PERCENT INCREASE IN BUDGET FOR DOCTORS' SALARIES AND FRINGE BENEFITS. IN NEGOTIATIONS OVER PAST YEAR IMI REDUCED DEMANDS TO 60 PERCENT. GOVT-HISTADRUT LAST OFFER WAS 45.6 PERCENT, ALTHOUGH REPORTEDLY CERTAIN MINOR CONCESSIONS WERE MADE CONCERNING ADDITIONAL GRADES AND FASTER PROMOTIONS, WHICH WOULD ADD TO PAYROLL COSTS. NEGOTIATIONS BROKEN OFF DURING PAST FEW DAYS, WITH
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EACH SIDE STANDING FIRM.

4. DESPITE STRIKE, NO CASES OF EXTREME HARDSHIP REPORTED. DOCTORS IN HOSPITALS ARE PROVIDING EMERGENCY SERVICES. KUPAT HOLIM DOCTORS EMPLOYED IN CLINICS ARE SEEING PATIENTS PRIVATELY AND CHARGING IL 30-IL 50, WITH KUPAT HOLIM PARTIALLY REIMBURSING MEMBERS. GOI AND HISTADRUT HAVE UNSUCCESSFULLY SOUGHT TO OBTAIN COURT INJUNCTION AGAINST DOCTORS CHARGING FOR SERVICES RENDERED ON PREMISES OF HOSPITALS OR KUPAT HOLIM CLINICS.

5. IN APPROVING 45.6 PERCENT INCREASE FOR DOCTORS, WHICH IS AROUND ONE-THIRD HIGHER THAN INCREASES GRANTED OTHER PROFESSIONAL EMPLOYEES, GOVT HAS CONCEDED NEED FOR SUBSTANTIAL IMPROVEMENT IN DOCTORS' SALARIES. FACT THAT MANY SENIOR GOVT AND KUPAT HOLIM DOCTORS SUPPLEMENT INCOME WITH PRIVATE PRACTICE MAKES DIFFICULT ANY PRECISE ESTIMATE AS TO HOW DOCTORS' INCOMES GENERALLY COMPARE WITH OTHER PROFESSIONAL GROUPS. PLIGHT MORE SEVERE AMONG BEGINNING DOCTORS, TO WHOM GOVT HAS OFFERED REVISED STARTING TAKE-HOME SALARY OF IL 1900, WHICH INCLUDES ALL ALLOWANCES AND COMPENSATION FOR OVERTIME AND NIGHT DUTY.

6. PRIME MINISTER HAS DECLARED FIRMLY THAT GOVT CANNOT EXCEED CURRENT OFFER.

7. COMMENT. GOVT LIKELY TO STAND PAT ON 45.6 PERCENT OFFER PLUS MINOR RECTIFICATION IN GRADE STRUCTURE, WITH PROMISE TO REVIEW DOCTORS' PAY PROBLEM IN NEXT ROUND OF NEGOTIATIONS FOR 1974-76 CONTRACT. TO DO OTHERWISE WOULD CERTAINLY ADD FUEL TO CLAIMS OF OTHER SECTORS OF GOVT EMPLOYEES FOR WAGE REVISIONS. CENTRAL GOVT CLERICAL AND ADMINISTRATIVE EMPLOYEES STILL PLANNING 24-HOUR WARNING STRIKE JULY 1 TO SUPPORT CLAIM FOR HIGHER WAGES AND BENEFITS COMPARABLE TO THOSE GRANTED OTHER GROUPS. CLERICAL WORKERS NO DOUBT WILL TAKE NOTE OF GOVT RESPONSE TO DOCTORS' CLAIMS. WHILE GOVT COULD USE EMERGENCY ORDER TO END STRIKE, FACT THAT DOCTORS HAVE NOT FULLY WITHHELD SERVICES COULD CAST DOUBT ON LEGALITY OF SUCH ORDERS. DOCTORS' STRIKE UNDERSCORES CONTINUING DIFFICULTY IN LABOR RELATIONS IN PUBLIC SECTOR, GROWING STRAINS IN TRADITIONAL EGALITARIAN WAGE STRUCTURE, AND DISTORTIONS

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INDUCED BY HIGH INCOME TAX RATES. (TAKE HOME PAY OF SENIOR DOCTOR IS NOT SIGNIFICANTLY GREATER THAN THEIR SUBORDINATES.) IN ADDITION, STRIKE COULD LEAD TO REVIEW BY DOCTORS OF THEIR RELATIONS WITH KUPAT HOLIM, WITH VIEW TO SEEKING FEE FOR SERVICE RATHER THAN EMPLOYEE-EMPLOYER RELATIONSHIP. ZURHELLEN

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